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WRITTEN TESTIMONY TO THE MSHDA BOARD OF
DIRECTORS
BY ANIKA GOSS-FOSTER, DIRECTOR PHILANTHROPIC
AFFAIRS
ON BEHALF OF
MAYOR KWAME M. KILPATRICK, CITY OF DETROIT
October 24, 2007

To the MSHDA Board of Directors, thank you for allowing me to provide a public comment on behalf of Mayor Kilpatrick on this very important issue concerning affordable housing and the revitalization of Detroit's neighborhoods.

It is the position of Mayor Kilpatrick to strongly support the 2008-09 Qualified Allocation Plan as submitted to the MSHDA Board of Directors for approval.

Critical to the success of the transformation of Detroit, will be supplying enough affordable housing to Detroit's low- and moderate income residents; to this end, low-income housing tax credits have the potential of significantly assisting in the achievement of this objective. Of the 141,479 renter-occupied units in the City of Detroit, more than 84,000 or 60% of the units is greater than thirty percent of their occupants' household income. More than one half of all households in Detroit have an income less than \$35,000. The Northend, one of the Next Detroit Neighborhood Initiative communities, has the greatest proportion with more than seventy percent of its households below the \$35,000 threshold and 55% of all housing units are rented in poor quality, substandard housing.

According to a recent publication from the Brookings Institute, "Restoring Prosperity: The State Role in Revitalizing America's Older Industrial Cities," the economic health of a state and region is interdependent upon the financial stability and growth of its major urban centers. Michigan's economic troubles will be hard to solve, and more importantly its financial potential difficult to maximize as long as much of Detroit's neighborhoods remain vacant, blighted and economically depressed. Providing housing that meets the needs of every family is central to building vibrant, prosperous, and safe neighborhoods.

In closing, Low-income housing tax credits provide a necessary and powerful incentive for private developers to build housing accessible to low- and moderate-income families. LIHTC can reduce the economic risk in Detroit to private real estate investors by pairing public subsidies and free-market forces. LIHTC is one of the few substantial policy tools available to spur significant investment in Detroit's weakest market communities, providing a critical base from which redevelopment in our neighborhoods can begin.